

OCTOBER 6, 2022

24-Hour Slice of Day Closing in on the Test Year



Feasibility Adjustments for Resource Sufficiency

PRM Feasibility Adjustment

- When establishing PRM for SOD, Commission must assess whether the portfolio requirements are feasible given the State's available resources. Where there is an infeasibility, the Commission should adjust the PRM requirement expectations to reflect that reality.
 - **Glide Path:** Forward-looking RA requirements should reasonably align with resources retained/developed in IRP.
 - **Enforce Achievable Compliance:** Compliance enforcement should incent achievable outcomes. Compliance requirements are *not useful when there are no alternatives* (e.g., if there are insufficient resources to meet PRM requirement).
 - **Price-Gouging Risk:** Establishing an infeasible RA requirement gives RA sellers outsized market power. Given the constrained pipeline for new resources, RA program should balance reasonable RA requirements (e.g., PRM) with customer affordability.

Test Year Feasibility Assessment

- Test year evaluation of resource sufficiency should consider potential for inter-LSE transactability (e.g., using aggregated LSE showings)
 1. Transitional benefit to smooth adoption of 24-hour program while LSE portfolios adapt; and
 2. Enduring value from improved utilization of existing resources across multiple LSE portfolios.

Thank you

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